

US federal agents raid 7-Eleven convenience stores

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19 June 2013

Agents from the Department of Homeland Security (DHS) and Immigration Custom Enforcement (ICE) raided 14 7-Eleven convenience stores early Monday morning throughout Long Island, New York and Virginia. Federal agents arrested nine owners and managers; they are being charged with human smuggling, harboring and hiring undocumented workers, using stolen Social Security numbers, and wire fraud.

Ten stores were raided in Long Island, New York and four in Virginia; five homes were also seized in New York.

The agents are also investigating 40 other 7-Eleven franchises located throughout New York City and across the nation. According to the *New York Times*, the investigation being led by the Justice Department and DHS is considered “one of the largest criminal immigrant employment investigations ever conducted.”

More than 50 undocumented workers, largely from Pakistan, were hired utilizing fraudulent Social Security numbers stolen from about two-dozen people, including children, the dead, and a Coast Guard cadet. Two of the employees, one in New York and one in Virginia, were using the same Social Security number.

The defendants being prosecuted are Farrukh and Bushra Baig—a married couple with dual Pakistani and US citizenship—who own and manage 12 7-Eleven stores in New York and Virginia. Bushra’s brothers, Zahid and Shannawaz, along with Malik Yousaf, Tariq Rana and Ramon Nanas, are also being charged.

Earning only between \$300 and \$500 per week, the Pakistani workers have been forced to work for more than 100 hours a week, being paid less than minimum wage in addition to having 75 percent of their earnings stolen by their employers. They have also been forced to live in substandard homes owned by Farrukh and

Bushra Baig.

Commenting on the conditions facing the workers, Loretta E. Lynch, the United States attorney in Brooklyn, stated, “These defendants ruthlessly exploited their immigrant employees, stealing their wages and requiring them to live in unregulated boarding houses, in effect creating a modern-day plantation system.”

Conflicting reports have stated that the defendants were able to generate upwards of \$182 million in assets, employing more than 50 immigrants since 2000. Without question, both the franchise owners and the 7-Eleven corporation itself have made huge sums of profit from the illegal operation.

With locations in 16 countries, including Japan (its largest market), Thailand, Canada, the Philippines, and Hong Kong, 7-Eleven’s revenues exceeded \$16 billion in 2009, making it one of the top retailers in the US. According to *Stores Magazine*, it was ranked 22nd out of the top 100 retailers that year.

According to 7-Eleven’s “franchise application agreement,” the corporation and the franchisee split the gross profit 50-50. The owners are under pressure to lower wages and hire undocumented workers as a result of 7-Eleven’s business model, which requires the franchisees to cover payroll and payroll taxes, employee benefits, as well as local business taxes and licenses.

Furthermore, the agreement also states, “The Franchisee’s monthly gross income is reduced by [those] expenses. Any amount remaining each month is the Franchisee’s net income.” In other words, the 50 percent gross profit that goes to the franchise owner must also pay for some of the highest costs in running the store.

With a lack of oversight from the corporation and the

pressure to ensure high profit margins, unscrupulous business owners turn to human smuggling and stealing the wages of immigrant workers left with no protections. Business owners are given a green light to exploit the most vulnerable layers of society without fear of retribution.

The raids have occurred during the debate on the so-called comprehensive immigration reform bill, officially titled “Border Security, Economic Opportunity, and Immigration Modernization Act.” The issue of democratic and legal rights for immigrant workers has been completely avoided during this debate.

The current immigration legislation does nothing to address the social needs of immigrant communities. The bill seeks to hire an additional 3,500 new agents as well as employ the use of drones along the border to pursue undocumented immigrants and those seeking entry at the border. The main aim is to step up deportations, not to protect immigrants’ rights.

The Socialist Equality Party fights for the defense of all immigrant workers, as stated in its program: “The working class as a whole must take up the defense of the rights of immigrant workers against the super-exploitation of the capitalist employers and the repression of the police and immigrant authorities.”



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